

**STATE OF ILLINOIS  
EDUCATIONAL LABOR RELATIONS BOARD**

**COMPLIANCE EXAMINATION**

For the Two Years Ended June 30, 2007

STATE OF ILLINOIS  
EDUCATIONAL LABOR RELATIONS BOARD  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2007

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STATE OF ILLINOIS  
EDUCATIONAL LABOR RELATIONS BOARD  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2007

**AGENCY OFFICIALS**

**EDUCATIONAL LABOR RELATIONS BOARD**

Chairman	Lynne O. Sered
Executive Director	Victor Blackwell
Fiscal Officer (until 12/31/06)	Cheri Wehmhoff
Interim Fiscal Officer (as of 1/1/07)	Cindy Handy
General Counsel	Helen Higgins Kelly

Agency administrative offices are located at:

320 West Washington  
Suite 260  
Springfield, IL 62701

160 North LaSalle Street  
Suite N-400  
Chicago, IL 60601



# ILLINOIS EDUCATIONAL LABOR RELATIONS BOARD

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December 20, 2007

Honorable William G. Holland  
Auditor General  
State of Illinois  
Iles Park Plaza  
740 East Ash  
Springfield, IL 62703-3154

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Agency. We are responsible for and we have established and maintained an effective system of, internal controls over compliance requirements. We have performed an evaluation of the Agency's compliance with the following assertions during the two-year period ended June 30, 2007. Based on this evaluation, we assert that during the years ended June 30, 2007 and June 30, 2006, the Agency has materially complied with the assertions below.

- A. The agency has obligated, expended, received and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The agency has obligated, expended, received and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The agency has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the agency are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the agency on behalf of the State or held in trust by the agency have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

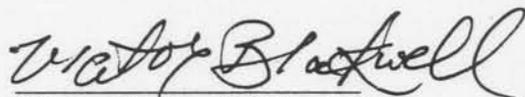
Internet Address: <http://www.state.il.us/agency/ielrb>

160 North LaSalle Street, Suite N-400 | Chicago, Illinois 60601-3103 | Telephone: 312/793-3170 | Facsimile: 312/793-3369  
320 West Washington Street, Suite 260 | Springfield, Illinois 62701-1135 | Telephone: 217/782-9068 | Facsimile: 217/782-9331

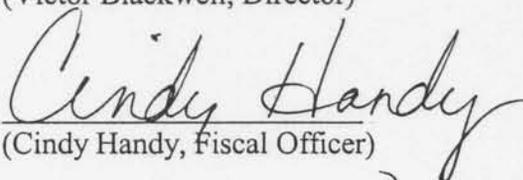
TTY: 1-800/526-0844 (Relay)

Yours very truly,

Educational Labor Relations Board



(Victor Blackwell, Director)



(Cindy Handy, Fiscal Officer)



(Helen Higgins Kelly, General Counsel)

STATE OF ILLINOIS  
EDUCATIONAL LABOR RELATIONS BOARD  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2007

**COMPLIANCE REPORT**

**SUMMARY**

The compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards* and in accordance with the Illinois State Auditing Act.

**ACCOUNTANTS' REPORT**

The Independent Accountants' Report on State Compliance, on Internal Control Over Compliance and on Supplementary Information for State Compliance Purposes does not contain scope limitations, disclaimers, or other significant non-standard language.

**SUMMARY OF FINDINGS**

<u>Number of</u>	<u>Compliance</u>	<u>Prior</u>
<u>Findings</u>	<u>Report</u>	<u>Compliance</u>
Findings	2	4
Repeated findings	1	0
Prior recommendations implemented or not repeated	3	1

Details of findings are presented in a separately tabbed report section.

**SCHEDULE OF FINDINGS**

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
FINDINGS (STATE COMPLIANCE)		
07-1	9	Untimely processing of fair share cases and payments
07-2	11	Inadequate segregation of duties

PRIOR FINDINGS NOT REPEATED (STATE COMPLIANCE)

07-3	12	Efficiency initiative payments
07-4	12	Inadequate controls over personal services
07-5	12	Annual reports not completed

**EXIT CONFERENCE**

The findings and recommendations appearing in this report were discussed with Agency personnel at an exit conference on December 6, 2007. Attending from the Educational Labor Relations Board were Victor Blackwell, Executive Director and Cindy Handy, Interim Fiscal Officer. Attending from the Office of the Auditor General were Gayla Rudd, Audit Manager, Jessica Olive, Audit Supervisor and Matthew Pfeiffer, Auditor. Responses to the recommendations were provided by Victor Blackwell, Executive Director in a letter dated December 11, 2007.

SPRINGFIELD OFFICE:  
ILES PARK PLAZA  
740 EAST ASH • 62703-3154  
PHONE: 217/782-6046  
FAX: 217/785-8222 • TTY: 888/261-2887



CHICAGO OFFICE:  
MICHAEL A. BILANDIC BLDG. • SUITE S-900  
160 NORTH LASALLE • 60601-3103  
PHONE: 312/814-4000  
FAX: 312/814-4006

OFFICE OF THE AUDITOR GENERAL

WILLIAM G. HOLLAND

INDEPENDENT ACCOUNTANTS' REPORT ON STATE COMPLIANCE,  
ON INTERNAL CONTROL OVER COMPLIANCE, AND ON  
SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

Honorable William G. Holland  
Auditor General  
State of Illinois

**Compliance**

We have examined the State of Illinois, Educational Labor Relations Board's compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the two years ended June 30, 2007. The management of the State of Illinois, Educational Labor Relations Board is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois, Educational Labor Relations Board's compliance based on our examination.

- A. The State of Illinois, Educational Labor Relations Board has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The State of Illinois, Educational Labor Relations Board has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The State of Illinois, Educational Labor Relations Board has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the State of Illinois, Educational Labor Relations Board are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the State of Illinois, Educational Labor Relations Board on behalf of the State or held in trust by the State of Illinois, Educational Labor Relations Board have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

We conducted our examination in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the

United States; the Illinois State Auditing Act (Act); and the Audit Guide as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about the State of Illinois, Educational Labor Relations Board's compliance with those requirements listed in the first paragraph of this report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the State of Illinois, Educational Labor Relations Board's compliance with specified requirements.

In our opinion, the State of Illinois, Educational Labor Relations Board complied, in all material respects, with the requirements listed in the first paragraph of this report during the two years ended June 30, 2007. However, the results of our procedures disclosed instances of noncompliance, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of findings as findings 07-1 and 07-2.

As required by the Audit Guide, immaterial findings relating to instances of noncompliance excluded from this report have been reported in a separate letter.

### **Internal Control**

The management of the State of Illinois, Educational Labor Relations Board is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our examination, we considered the State of Illinois, Educational Labor Relations Board's internal control over compliance with the requirements listed in the first paragraph of this report in order to determine our examination procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide issued by the Illinois Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the State of Illinois, Educational Labor Relations Board's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois, Educational Labor Relations Board's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with the requirements listed in the first paragraph of this report on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to comply with the requirements listed in the first paragraph of this report such that there is more than a remote likelihood that noncompliance with a requirement that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider

the deficiencies in internal control over compliance described in the accompanying schedule of findings as findings 07-1 and 07-2 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a requirement listed in the first paragraph of this report will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying schedule of findings to be material weaknesses.

As required by the Audit Guide, immaterial findings relating to internal control deficiencies excluded from this report have been reported in a separate letter.

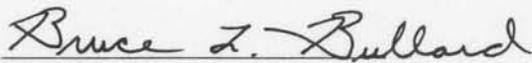
The State of Illinois, Educational Labor Relations Board's response to the findings identified in our examination are described in the accompanying schedule of findings. We did not examine the State of Illinois, Educational Labor Relations Board's response and, accordingly, we express no opinion on it.

#### **Supplementary Information for State Compliance Purposes**

Our examination was conducted for the purpose of forming an opinion on compliance with the requirements listed in the first paragraph of this report. The accompanying supplementary information as listed in the table of contents as Supplementary Information for State Compliance Purposes is presented for purposes of additional analysis. We have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the 2007 and 2006 Supplementary Information for State Compliance Purposes, except for the Service Efforts and Accomplishments on which we did not perform any procedures. However, we do not express an opinion on the supplementary information.

We have not applied procedures to the 2005 Supplementary Information for State Compliance Purposes, and accordingly, we do not express an opinion thereon.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, agency management, and the agency's governing board and is not intended to be and should not be used by anyone other than these specified parties.

  
BRUCE L. BULLARD, CPA  
Director of Financial and Compliance Audits

December 20, 2007

STATE OF ILLINOIS  
EDUCATIONAL LABOR RELATIONS BOARD  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2007

07-1. **FINDING** (Untimely processing of fair share cases and payments)

The Educational Labor Relations Board (Board) did not timely hold fair share hearings or make fair share payments.

Certain collective bargaining agreements entered into with labor representatives contain provisions for non-union employees covered by the agreement to pay the organization a fair share fee for services rendered. The Board has the authority to determine fair share fees for non-union members that object to the amount of their assessment. Objections to fair share assessments are heard by an Administrative Law Judge (Judge) designated by the Board.

When an employee objects to a fair share assessment, the employer continues to collect the employee's fair share from their pay, but transmits the fee to the Board for deposit in the Fair Share Trust Fund (Fund), an escrow account maintained by the Board. The Judge reports his or her decision to the Board for a final order. The Board considers fair share decisions monthly. After the final decision of the Board, the amounts held in the Fund, plus accrued interest, are disbursed to the employee and the representative in accordance with the terms of the final order.

We noted the following:

- Three of 6 (50%) consolidated cases reviewed had hearings held 71 to 169 days after the last day for filing an objection. The Illinois Educational Labor Relations Board Rules and Regulations (80 Ill. Adm. Code 1125.80) states that the hearing shall commence no later than 60 days after an objection is filed. Three of 6 (50%) consolidated cases reviewed have had final orders issued yet no payments have been made. As of June 30, 2007, these cases had not been paid for 228 to 536 days after the final order was issued. Board management stated that hearing delays were due to the complicated nature of large consolidated cases and waiting for all fee payers to have the opportunity to file their objections or settle the objections after the complaint was issued.
- Ten of 10 (100%) vouchers tested involving 376 individual cases finalized by the Board were not processed for payment in a timely manner. The decisions included fair share disbursements of approximately \$119,536, which includes accrued interest. The vouchers were processed from 97 to 1,074 days after the Final Order or withdrawal request approval was issued, and no documentation was maintained to substantiate the delays. Good business practices require proper internal controls be established to help promote operational efficiency. In addition, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that resources are

utilized efficiently, effectively and in compliance with applicable law. Board management stated that the ability to disperse the fair share payments is contingent upon coordination of efforts by a number of individuals. The receipt of the Union calculations, information from School District Payroll officers, hearing schedules and Board staff shortages have contributed to the extended timeframe for payment of fees.

Failure to hold hearings within the 60 day requirement results in untimely processing of fair share cases. Failure to process payments for fair share cases timely results in delays in payments to fair share objectors and the unions. (Finding Code No. 07-1, 05-2)

**RECOMMENDATION**

We recommend the Board hold hearings in accordance with their rules and regulations. We further recommend that the Board implement controls to expedite fair share payments. In addition, efforts to coordinate necessary information from outside parties should be documented to justify any delays.

**BOARD RESPONSE**

The Board concurs with this finding. The Board plans to meet with responsible staff and implement appropriate controls to remedy potential hearing delays.

07-2. **FINDING** (Inadequate segregation of duties)

The Educational Labor Relations Board (Board) had inadequate segregation of duties in the areas of procurement, expenditure control and State property.

We noted the following inadequate segregation of duties as of January 2007:

- One person had authority to perform procurement functions including the approval of contracts, prepare and approve vouchers, maintain accounting records and perform monthly expenditure reconciliations.
- One person had authority to approve all property purchases, tag all inventory, maintain the property records, and complete the quarterly reports of State property.
- One person had the authority to prepare payroll, make adjustments to payroll, approve payroll and distribute payroll stubs.

Good business practices require the Board maintain adequate segregation of duties in order to help ensure the safeguarding of assets, prevent improper expenditures, and ensure the accuracy and reliability of accounting data. The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls.

Board personnel stated that they were unable to maintain adequate segregation of duties due to the limited number of Board employees in the Springfield office and due to losing a fiscal employee at the end of December 2006.

A lack of adequate segregation of duties increases the likelihood that a loss from errors or irregularities could occur and would not be found in the normal course of employees carrying out their assigned duties. (Finding Code No. 07-2)

**RECOMMENDATION**

We recommend the Board maintain an effective internal control over the record keeping and accounting duties concerned with procurement, expenditure and property control.

**BOARD RESPONSE**

The Board concurs with this finding. The Board is currently pursuing personnel actions necessary to fill the position responsible for reviewing and countersigning fiscal documents which, once done, resolves these issues.

STATE OF ILLINOIS  
EDUCATIONAL LABOR RELATIONS BOARD  
**PRIOR FINDINGS NOT REPEATED**  
For the Two Years Ended June 30, 2007

07-3. **PRIOR FINDING** (Efficiency initiative payments)

During the prior period, the Educational Labor Relations Board (Board) made payments for efficiency initiative billings from improper line item appropriations.

During the current period, the Board did not make any payments for efficiency initiative billings. (Finding Code No. 05-1)

07-4. **PRIOR FINDING** (Inadequate controls over personal services)

During the prior period, the Educational Labor Relations Board (Board) did not have adequate controls over personal services regarding timely conducting annual performance evaluations, timekeeping discrepancies and leave time not properly taken.

During the current period, our sample testing noted no exceptions regarding annual performance evaluations, timekeeping discrepancies and leave time not properly taken. (Finding Code No. 05-3)

07-5. **PRIOR FINDING** (Annual reports not completed)

During the prior period, the Educational Labor Relations Board (Board) did not complete and submit required annual reports to the Governor and General Assembly.

During the current period, the Board completed and submitted the required annual reports to the Governor and General Assembly. (Finding Code No. 05-4)

STATE OF ILLINOIS  
EDUCATIONAL LABOR RELATIONS BOARD  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2007

**SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES**

**SUMMARY**

Supplementary Information for State Compliance Purposes presented in this section of the report includes the following:

- Fiscal Schedules and Analysis:
  - Schedule of Appropriations, Expenditures and Lapsed Balances
  - Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
  - Schedule of Changes in State Property
  - Comparative Schedule of Cash Receipts
  - Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller
  - Analysis of Significant Variations in Expenditures
  - Analysis of Significant Variations in Receipts
  - Analysis of Significant Lapse Period Spending
  
- Analysis of Operations:
  - Agency Functions and Planning Program
  - Average Number of Employees
  - Service Efforts and Accomplishments (not examined)

The accountants' report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the auditors have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General, except for information on the Service Efforts and Accomplishments on which they did not perform any procedures. However, the accountants do not express an opinion on the supplementary information.

STATE OF ILLINOIS  
EDUCATIONAL LABOR RELATIONS BOARD  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**  
For the Fiscal Year Ended June 30, 2007

P.A. 94-798 FISCAL YEAR 2007	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
<u>Appropriated Fund</u>					
<u>General Revenue Fund - 001</u>					
Personal Services	\$ 1,015,800	\$ 811,996	\$ 32,769	\$ 844,765	\$ 171,035
State Contribution to State Employees' Retirement System	117,100	93,612	3,778	97,390	19,710
State Contributions to Social Security	77,300	58,660	2,360	61,020	16,280
Contractual Services	150,750	97,338	46,801	144,139	6,611
Travel	15,000	9,520	3,499	13,019	1,981
Commodities	6,150	1,964	4,183	6,147	3
Printing	4,000	239	1,617	1,856	2,144
Equipment	4,100	354	3,679	4,033	67
Electronic Data Processing	16,000	2,764	746	3,510	12,490
Telecommunications	23,000	14,793	5,139	19,932	3,068
Operation of Automotive Equipment	3,000	1,502	1,469	2,971	29
 Total Fiscal Year 2007	 <u>\$ 1,432,200</u>	 <u>\$ 1,092,742</u>	 <u>\$ 106,040</u>	 <u>\$ 1,198,782</u>	 <u>\$ 233,418</u>
<u>Non-Appropriated Fund</u>					
<u>Fair Share Trust Fund - 996</u>					
Fair Share Trust Fund		\$ 134,629	\$ 0	\$ 134,629	
Total Fair Share Trust Fund		<u>\$ 134,629</u>	<u>\$ 0</u>	<u>\$ 134,629</u>	
 GRAND TOTAL, ALL FUNDS		 <u>\$ 1,227,371</u>	 <u>\$ 106,040</u>	 <u>\$ 1,333,411</u>	

Note: Appropriations, expenditures, and lapsed balances were obtained from records of the State Comptroller and have been reconciled to Agency record

STATE OF ILLINOIS  
EDUCATIONAL LABOR RELATIONS BOARD  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**  
For the Fiscal Year Ended June 30, 2006

P.A. 94-0015 FISCAL YEAR 2006	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
<b>Appropriated Fund</b>					
<b>General Revenue Fund - 001</b>					
Personal Services	\$ 972,000	\$ 886,460	\$ 39,059	\$ 925,519	\$ 46,481
State Contribution to State					
Employees' Retirement System	75,700	69,109	3,045	72,154	3,546
State Contributions to Social Security	74,400	64,798	2,840	67,638	6,762
Contractual Services	169,000	150,528	16,771	167,299	1,701
Travel	24,000	16,311	2,408	18,719	5,281
Commodities	5,000	2,602	2,313	4,915	85
Printing	4,000	1,696	2,190	3,886	114
Equipment	19,000	3,008	1,611	4,619	14,381
Electronic Data Processing	27,100	20,892	5,704	26,596	504
Telecommunications	26,000	16,044	3,537	19,581	6,419
Operation of Automotive Equipment	4,000	1,202	2,326	3,528	472
<b>Total Fiscal Year 2006</b>	<b>\$ 1,400,200</b>	<b>\$ 1,232,650</b>	<b>\$ 81,804</b>	<b>\$ 1,314,454</b>	<b>\$ 85,746</b>
<b>Non-Appropriated Fund</b>					
<b>Fair Share Trust Fund - 996</b>					
Fair Share Trust Fund		\$ 14,894	\$ 0	\$ 14,894	
<b>Total Fair Share Trust Fund</b>		<b>\$ 14,894</b>	<b>\$ 0</b>	<b>\$ 14,894</b>	
<b>GRAND TOTAL, ALL FUNDS</b>		<b>\$ 1,247,544</b>	<b>\$ 81,804</b>	<b>\$ 1,329,348</b>	

Note: Appropriations, expenditures, and lapsed balances were obtained from records of the State Comptroller and have been reconciled to Agency records.

STATE OF ILLINOIS  
EDUCATIONAL LABOR RELATIONS BOARD  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**  
For the Fiscal Years Ended June 30, 2007

	Fiscal Year		
	2007	2006	2005
General Revenue Fund - 001	P.A. 94-798	P.A. 94-0015	P.A. 93-0842
<hr/>			
Appropriations (Net of Transfers)	\$ 1,432,200	\$ 1,400,200	\$ 1,371,778
<hr/>			
<u>Expenditures</u>			
Personal Services	\$ 844,765	\$ 925,519	\$ 896,430
State Contribution to State Employees' Retirement System	97,390	72,154	144,030
State Contributions to Social Security	61,020	67,638	65,504
Contractual Services	144,139	167,299	61,328
Travel	13,019	18,719	14,938
Commodities	6,147	4,915	4,776
Printing	1,856	3,886	4,631
Equipment	4,033	4,619	12,728
Electronic Data Processing	3,510	26,596	4,451
Telecommunications	19,932	19,581	20,829
Operation of Automotive Equipment	2,971	3,528	1,790
	<hr/>		
Total Expenditures	\$ 1,198,782	\$ 1,314,454	\$ 1,231,435
	<hr/>		
Lapsed Balances	\$ 233,418	\$ 85,746	\$ 140,343
	<hr/>		
Non-Appropriated Fair Share Trust Fund - 996			
Expenditures	\$ 134,629	\$ 14,894	\$ 41,199
	<hr/>		
Total Expenditures	\$ 134,629	\$ 14,894	\$ 41,199
	<hr/>		
<b>GRAND TOTAL - ALL FUNDS</b>			
Total Expenditures	\$ 1,333,411	\$ 1,329,348	\$ 1,272,634
	<hr/>		
Salaries paid from the Comptroller's Executive Salary Appropriation:			
Board Chairman	\$ 92,890	\$ 88,641	\$ 88,641
Four Board Members	334,414	319,116	319,116
	<hr/>		
Total Expenditures from Comptroller's Executive Salary Appropriation	\$ 427,304	\$ 407,757	\$ 407,757
	<hr/>		

STATE OF ILLINOIS  
EDUCATIONAL LABOR RELATIONS BOARD  
**SCHEDULE OF CHANGES IN STATE PROPERTY**  
For the Two Years Ended June 30, 2007

		<u>Equipment</u>
Balance at July 1, 2005	\$	435,743
Additions		29,062
Deletions		0
Net Transfers		<u>(218)</u>
Balance at June 30, 2006	\$	<u>464,587</u>
Balance at July 1, 2006	\$	464,587
Additions		1,571
Deletions		0
Net Transfers		<u>0</u>
Balance at June 30, 2007	\$	<u>466,158</u>

Note: The above schedule has been derived from Agency records which have been reconciled to property reports submitted to the Office of the Comptroller.

STATE OF ILLINOIS  
 EDUCATIONAL LABOR RELATIONS BOARD  
**COMPARATIVE SCHEDULE OF CASH RECEIPTS**  
 For the Two Years Ended June 30, 2007

	<u>2007</u>	<u>2006</u>	<u>2005</u>
<b><u>General Revenue Fund - 001</u></b>			
Jury Duty	\$ 30	\$ 15	\$ 0
Copies	61	153	176
Reimbursement for Phone	2	5	0
Refunds	<u>0</u>	<u>0</u>	<u>14</u>
 Total General Revenue Fund	 <u>\$ 93</u>	 <u>\$ 173</u>	 <u>\$ 190</u>
 <b><u>Fair Share Trust Fund - 996</u></b>			
Fair Share Trust Fees	\$ 43,690	\$ 62,488	\$ 64,843
Interest	<u>9,946</u>	<u>7,590</u>	<u>3,178</u> *
 Total Fair Share Trust Fund	 <u>\$ 53,636</u>	 <u>\$ 70,078</u>	 <u>\$ 68,021</u>
 <b>Total Receipts</b>	 <u><u>\$ 53,729</u></u>	 <u><u>\$ 70,251</u></u>	 <u><u>\$ 68,211</u></u>

\*note: FY05 amount changed to reflect Board records.

STATE OF ILLINOIS  
EDUCATIONAL LABOR RELATIONS BOARD  
**RECONCILIATION SCHEDULE OF CASH RECEIPTS TO  
DEPOSITS REMITTED TO THE STATE COMPTROLLER**  
For the Two Years Ended June 30, 2007

<b><u>General Revenue Fund- 001</u></b>	<b><u>2007</u></b>	<b><u>2006</u></b>
Receipts per Department Records	\$ 93	\$ 173
Add: Deposits in Transit, Beginning of Year	0	0
Less: Deposits in Transit, End of Year	<u>0</u>	<u>0</u>
Deposits Recorded by the Comptroller	<u>\$ 93</u>	<u>\$ 173</u>

<b><u>Fair Share Trust Fund - 996</u></b>		
Receipts per Department Records	\$ 53,636	\$ 70,078
Add: Deposits in Transit, Beginning of Year	1,024	3,240
Less: Deposits in Transit, End of Year	(776)	(1,024)
Interest Earned	<u>(9,946)</u>	<u>(7,590)</u>
Deposits Recorded by the Comptroller	<u>\$ 43,938</u>	<u>\$ 64,704</u>

STATE OF ILLINOIS  
EDUCATIONAL LABOR RELATIONS BOARD  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
For the Two Years Ended June 30, 2007

Significant variances in expenditures were determined to be changes of \$5,000 and at least 20% between fiscal years, and are explained below.

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2007 AND 2006**

**General Revenue Fund (001)**

State Contribution to State Employees' Retirement System

The increase in State contributions to State Employees' Retirement System expenditures was due to an increase in the employer contribution rate from 7.792% in FY06 to 11.525% in FY07.

Travel

The decrease in travel expenditures was due to accepting Majority Interest Petitions (MIP), allowing Unions to form through petitions rather than election, reducing the amount of travel required of investigators to conduct on-site elections.

Electronic Data Processing

The decrease in electronic data processing expenditures was due to purchasing new computers and hiring a vendor to update the Board's database and fair share spreadsheets in FY06. These expenditures were not repeated in FY07.

**Fair Share Trust Fund (996)**

The increase in Fair Share Trust Fund expenditures was due to the Board's efforts to expedite payments to unions and objectors.

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2006 AND 2005**

**General Revenue Fund (001)**

State Contribution to State Employees' Retirement System

The decrease in State contributions to State Employees' Retirement System expenditures was due to a decrease in the employer contribution rate from 16.107% in FY05 to 7.792% in FY06.

Contractual Services

The increase in contractual services expenditures was due to making payments to the Department of Central Management Services (DCMS) for lease payments. These payments were not made to DCMS in FY05.

STATE OF ILLINOIS  
EDUCATIONAL LABOR RELATIONS BOARD  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
For the Two Years Ended June 30, 2007

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2006 AND 2005 (continued)**

**General Revenue Fund (001) (continued)**

Equipment

The decrease in equipment expenditures was due to purchasing office furniture for both the Springfield and Chicago offices in FY06. These expenditures were not repeated in FY07.

Electronic Data Processing

The increase in electronic data processing expenditures was due to purchasing new computers and hiring a vendor to update the Board's database and fair share spreadsheets.

**Fair Share Trust Fund (996)**

The decrease in Fair Share Trust Fund expenditures was due to the decreased number of fair share payouts and a backlog of payouts prior to the increased efforts to expedite payments instituted in FY07.

STATE OF ILLINOIS  
EDUCATIONAL LABOR RELATIONS BOARD  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS**  
For the Two Years Ended June 30, 2007

**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2007 AND 2006**

**Fair Share Trust Fund (996)**

Fair Share Trust Fees

The decrease in Fair Share Trust Fees collected during FY07 was due to the decrease in the number of fair share cases filed in FY07.

**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2006 AND 2005**

**Fair Share Trust Fund (996)**

Interest

The increase in interest earned during FY06 was due to a higher fund balance in the Fair Share Trust Fund in addition to higher interest rates earned.

STATE OF ILLINOIS  
EDUCATIONAL LABOR RELATIONS BOARD  
**ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING**  
For the Two Years Ended June 30, 2007

**FISCAL YEAR 2007**

**General Revenue Fund (001)**

Contractual Services

The Board contracted with a vendor to paint the Chicago office prior to June 30, yet received and paid the invoice during the lapse period. In addition, several lease payments and payments for temporary clerical help provided prior to June 30 were made during the lapse period.

Travel

The Board received and paid travel vouchers during the lapse period for on-site elections conducted and a Board meeting held near the end of the fiscal year.

Commodities

The Board received and paid invoices during the lapse period for office supplies ordered and received prior to June 30.

Equipment

The Board received and paid invoices during the lapse period for legal volumes and yearly updates ordered and received prior to June 30.

Telecommunications

The Board received and paid invoices during the lapse period for telecommunications services received prior to June 30.

STATE OF ILLINOIS  
EDUCATIONAL LABOR RELATIONS BOARD  
**ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING**  
For the Two Years Ended June 30, 2007

**FISCAL YEAR 2006**

**General Revenue Fund (001)**

Commodities

The Board received and paid invoices during the lapse period for office supplies ordered and received prior to June 30.

Printing

The Board received and paid invoices during the lapse period for the printing of the Board Rules and Regulations and the Annual Report near the end of the fiscal year.

Electronic Data Processing

The Board received and paid invoices during the lapse period for the updates to the Board's database and fair share spreadsheets performed prior to June 30.

Operation of Automotive Equipment

The Board received and paid invoices during the lapse period for automotive repairs performed prior to June 30.

STATE OF ILLINOIS  
EDUCATIONAL LABOR RELATIONS BOARD  
**ANALYSIS OF OPERATIONS**  
For the Two Years Ended June 30, 2007

**AGENCY FUNCTIONS AND PLANNING PROGRAM**

Board Functions

The Illinois Educational Labor Relations Board (Board) was created on January 1, 1984 to administer the Illinois Educational Labor Relations Act (Act) (115 ILCS 5/1 et seq.). The Act sets forth the rules, regulations, and procedures for labor relations and collective bargaining between public educational employers and educational employees in Illinois. The Act affords public educational employees the right to organize, to select a labor organization to represent them, and the right to bargain with their educational employer through their chosen labor representative.

The Board's primary statutory duties include the following:

1. Investigating representation petitions seeking the certification or decertification of collective bargaining representatives of public school employees, and conducting hearings and elections upon such petitions;
2. Processing majority interest petitions which seek certification with a showing of majority support;
3. Investigating and processing petitions to modify or clarify bargaining units and the certification of bargaining units, including conducting hearings and issuing decisions on such petitions;
4. Investigating all charges alleging unfair labor practices filed by either a representative Union, an individual or by a school district;
5. Rendering determinations on all charges of unfair labor practices after investigation and hearing, and investigating and adjudicating disputes concerning compliance with Agency decisions and orders;
6. Acting as neutral mediators and conducting mediation sessions to assist parties in resolving disputes before the Board;
7. Providing panels of private mediators and arbitrators to all parties covered by the Act to assist in resolving collective bargaining impasses and grievance disputes; and
8. Investigating and adjudicating disputes concerning fair share fees assessed to educational employees by employee representatives, including initiating, maintaining and disbursing escrow accounts for all employees filing fair share fee charges.

The Board consists of a chairman and four members who are appointed by the Governor with the advice and consent of the Senate. The current members as of June 30, 2007 are:

- Lynne O. Sered, Chairman
- Bridget L. Lamont
- Michael H. Prueter
- Ronald F. Ettinger
- Jimmie E. Robinson

**ANALYSIS OF OPERATIONS**  
For the Two Years Ended June 30, 2007

**AGENCY FUNCTIONS AND PLANNING PROGRAM – (Continued)**

The Board regulates approximately 450,000 Statewide educational employees, 1,500 bargaining units and 37 separate unions. The Board’s jurisdiction over educational labor matters encompasses over 1,100 separate public educational institutions including primary, middle, and high schools, community colleges and universities.

**Planning Program**

The Board does not have a formal long range planning program; however, the Board meets monthly to deliberate cases and vote to issue its Opinions and Orders on the cases. The Board, with the advice of the Executive Director and General Counsel, also addresses planning issues such as budgeting, personnel, and evaluating the efficiency and effectiveness of current policies and procedures.

**AVERAGE NUMBER OF EMPLOYEES**

The following table, prepared from Agency records, presents the average number of employees, by function, for the Fiscal Years ended June 30,

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Paid from Illinois Educational Labor Relations Board Appropriation:			
Executive Director	1	1	1
Technical Advisors	1	1	1
Investigators and Supervisors	6	8	8
Administrative and Clerical	6	6	6
Total average full-time employees	<u>14</u>	<u>16</u>	<u>16</u>
Paid from Comptroller's Executive Salary Appropriation:			
Board Chairman	1	1	1
Board Members	4	4	4
Total average Board members	<u>5</u>	<u>5</u>	<u>5</u>

STATE OF ILLINOIS  
EDUCATIONAL LABOR RELATIONS BOARD  
**ANALYSIS OF OPERATIONS**  
For the Two Years Ended June 30, 2007

**SERVICE EFFORTS AND ACCOMPLISHMENTS (NOT EXAMINED)**

The types of cases processed by the Board fall essentially into three categories:

- 1) representation cases
- 2) mediation cases
- 3) unfair labor practice cases

**Representation Cases**

Representation cases involve processing and issuing opinions regarding questions of representation including the conducting of orderly elections.

<b><u>Cases Filed</u></b>	<b><u>2007</u></b>	<b><u>2006</u></b>	<b><u>2005*</u></b>
Petition to Determine Representative	43	42	38
Petition to Decertify Representative	5	8	10
Petition – Representation (Employer)	1	0	0
Petition to Determine Unit	20	34	44
Voluntary Recognition Petition	3	3	4
Unit Clarification Petition	34	25	28
Amended Certification Petition	<u>7</u>	<u>6</u>	<u>9</u>
<b>Total Cases Filed</b>	<b><u>113</u></b>	<b><u>118</u></b>	<b><u>133</u></b>

**Disposition of Cases filed**

Certification of Representative	13	22	22
Certification of Voluntary Recognition	1	1	3
Certification of Results	2	2	6
Withdrawn	25	20	21
Majority Interest Petition Order of Certification	31	50	0
Executive Director's Recommended			
Decision and Order	36	26	29
Administrative Law Judge Recommended			
Decision and Order	1	2	5
Mediations	4	0	2
Pending Investigations	<u>31</u>	<u>29</u>	<u>32</u>
<b>Total Cases Processed</b>	<b><u>144</u></b>	<b><u>152</u></b>	<b><u>120</u></b>

STATE OF ILLINOIS  
 EDUCATIONAL LABOR RELATIONS BOARD  
**ANALYSIS OF OPERATIONS**  
 For the Two Years Ended June 30, 2007

**SERVICE EFFORTS AND ACCOMPLISHMENTS (NOT EXAMINED) (CONTINUED)**

**Mediation Cases**

Mediation cases involve situations in which the parties engaged in collective bargaining have reached an impasse and may petition the Board to initiate mediation. The Board may also on its own motion initiate mediation during this period.

One measure of the effectiveness of mediation is determined by the number of school strikes averted through the invocation of or deferral to mediation.

There were five strikes in school districts during the 2004-2005 school year, five during the 2005-2006 school year and three during 2006-2007 school year.

**Unfair Labor Practice Cases**

Unfair labor practice cases involve charges alleging that the conduct of an employer and/or a union constitute conduct prohibited by the Educational Labor Relations Act. Charges may be filed by an employer, an individual, or a labor organization. Once a charge has been filed, it is assigned to an investigator. Upon conclusion of the investigation, the Executive Director can either dismiss the charge or issue a complaint and set the matter for hearing if a voluntary settlement has not been reached by the parties.

The following unfair labor practice case statistics were furnished by Board personnel and are not examined:

<b><u>Cases Filed</u></b>	<b><u>2007</u></b>	<b><u>2006</u></b>	<b><u>2005*</u></b>
Unfair Labor Practice Charge Against Employer	131	113	119
Unfair Labor Practice Charge Against Union	29	28	42
Unfair Labor Practice Charge Contesting Fair Share Fee	<u>135</u>	<u>205</u>	<u>196</u>
<b>Total Cases Filed</b>	<b><u>295</u></b>	<b><u>346</u></b>	<b><u>357</u></b>

EDUCATIONAL LABOR RELATIONS BOARD  
**ANALYSIS OF OPERATIONS**  
For the Two Years Ended June 30, 2007

**SERVICE EFFORTS AND ACCOMPLISHMENTS (NOT EXAMINED) (CONTINUED)**

**Unfair Labor Practice Cases**  
**(Continued)**

	<u>2007</u>	<u>2006</u>	<u>2005*</u>
<b><u>Disposition of Cases</u></b>			
Withdrawn Pursuant to Settlement			
Agreement	139	157	128
Complaints Issued	57	68	56
Withdrawn	47	77	47
Executive Director's Recommended			
Decision and Order	57	56	88
Administrative Law Judge Recommended			
Decision and Order	83	114	3
Cases Mediated	27	34	0
Investigations Pending	<u>70</u>	<u>54</u>	<u>63</u>
<b>Total Cases Processed</b>	<u><u>480</u></u>	<u><u>560</u></u>	<u><u>385</u></u>
 <b><u>Average Cost Per Case Processed</u></b>			
Representation Cases	113	118	133
Unfair Labor Practice Cases	<u>295</u>	<u>346</u>	<u>357</u>
<b>Total Representation and Unfair Labor Practice Cases</b>	<u><u>408</u></u>	<u><u>464</u></u>	<u><u>490</u></u>
 <b>Total Expenditures</b>	 <u><u>\$1,198,782</u></u>	 <u><u>\$1,314,454</u></u>	 <u><u>\$1,231,435</u></u>
 <b>Average Expenditure per Case</b>	 <u><u>\$2,938</u></u>	 <u><u>\$2,833</u></u>	 <u><u>\$2,513</u></u>

\*Note: Some 2005 amounts have been changed due to classification changes made by the Board.